

Company registered no: 02865761

**Cott Retail Brands Limited**  
**Annual report and financial statements**  
**for the 52 week period ended 28 December 2019**



# **Cott Retail Brands Limited**

## **Contents**

Board of directors and advisers	1
Strategic report for the 52 week period ended 28 December 2019	2
Directors' report for the 52 week period ended 28 December 2019	3
Independent auditors' report to the members of Cott Retail Brands Limited	6
Statement of comprehensive income for the 52 week period ended 28 December 2019	9
Balance sheet as at 28 December 2019	10
Statement of changes in equity	11
Notes to the financial statements for the 52 week period ended 28 December 2019	12

# **Cott Retail Brands Limited**

## **Board of directors and advisers**

### **Directors**

Jason Ausher  
Claire Duffy  
Steven Kitching  
Matthew Vernon

### **Company Secretary**

Squire Patton Boggs Secretarial Services Limited

### **Company number**

02865761

### **Registered office**

C/O Aimia Foods Limited  
Penny Lane  
Haydock  
St Helens  
England  
WA11 0QZ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
No 1 Spinningfields  
Hardman Square  
Manchester  
M33EB

# **Cott Retail Brands Limited**

## **Strategic report for the 52 week period ended 28 December 2019**

The directors present their strategic report and the audited financial statements for the 52 week period ended 28 December 2019.

### **Principal activities and future developments**

Cott Retail Brands Limited is a limited company and acts primarily as an intermediate holding company. This is expected to continue for the foreseeable future.

### **Results**

Details of the development and performance of the business of the company during the financial year and the position of the company at the year-end are disclosed in the directors' report.

### **Principal risks and uncertainties**

Due to the size and nature of the entity the directors do not consider that any commentary on the principal risks and uncertainties facing the entity is required.

This report was approved by the board of directors and signed on its behalf by:



Claire Duffy  
Director  
24 November 2020

# **Cott Retail Brands Limited**

## **Directors' report for the 52 week period ended 28 December 2019**

The directors present their report and audited financial statements for the 52 week period ended 28 December 2019.

### **Results, dividends and business review**

The statement of comprehensive income for the period is set out on page 8. The profit for the 52 week period ended 28 December 2019 is £55,793,000 (52 week period ended 29 December 2018: profit of £149,783,000).

The company paid a dividend of £55,012,000 during the year (52 week period ended 29 December 2018: £22,764,000).

A business review using key performance indicators is not considered appropriate given the nature of the entity.

### **Donations**

The Company made charitable donations totalling £nil to national charities (52 week period ended 29 December 2018: nil).

### **Directors**

The directors, who held office during the period and up to the date of signing these financial statements, unless otherwise stated, are given below:

Jason Ausher  
Claire Duffy  
Steven Kitching  
Matthew Vernon

Qualifying third-party indemnity insurance was held by all the directors during the period and currently continues to be held by all directors.

### **Future developments**

The company will continue as a holding company for the foreseeable future.

### **Coronavirus**

The outbreak of the novel coronavirus, COVID-19, has had a significant impact on our group companies. Authorities in many of the markets in which our group companies operate have implemented numerous measures to stall the spread of COVID-19, including travel bans and restrictions, quarantines, curfews, shelter in place orders, and business shutdowns. These measures have impacted and will continue to impact us, our customers, employees, distributors, suppliers and other third parties with whom we do business.

There is considerable uncertainty regarding the extent and duration of any impact that these measures and future measures in response to the pandemic may have on our business. We have implemented health and safety protocols, business continuity plans and crisis management protocols and have taken other operational actions in an effort to try to mitigate the negative impact of COVID-19 to our employees and our business, the extent of the impact of the pandemic on our business and financial results will depend on numerous evolving factors that we are not able to accurately predict and that all will vary by market, including the duration and scope of the pandemic, global economic conditions during and after the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic and changes in customer behavior in response to the pandemic, some of which may be more than just temporary.

# **Cott Retail Brands Limited**

## **Directors' report for the 52 week period ended 28 December 2019 (continued)**

### **Going concern**

As at 28 December 2019, the Company was in a net current liability position (£52,000), with total net assets of £440,188,000.

As an intermediate holding company, whose main activity is the receipt and subsequent payment of dividends, the future developments of this company are intrinsically linked to the future developments of its trading subsidiaries and the wider group to which it is a part. Notwithstanding, the Directors have considered the cash flows of the company, taking into account expected cash flows as well as considering the terms of intercompany balances.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, due to the continued financial support of the ultimate parent company Primo Water Corporation.

The directors have received confirmation that Primo Water Corporation will support the company for at least 12 months after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

# **Cott Retail Brands Limited**

## **Directors' report for the 52 week period ended 28 December 2019 (continued)**

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board of directors and signed on its behalf by:



Claire Duffy  
Director  
24 November 2020

# ***Independent auditors' report to the members of Cott Retail Brands Limited***

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Cott Retail Brands Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2019 and of its profit for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 28 December 2019; the Statement of Comprehensive income and the Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the period ended 28 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kate Finn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
24 November 2020

# Cott Retail Brands Limited

## Statement of Comprehensive income for the 52 week period ended 28 December 2019

	Note	Period ended 28 December 2019	Period ended 29 December 2018
		£'000	£'000
Gain on sale of business		-	97,616
Reversal of impairment on investments		-	27,982
Administrative expense		(7)	(7)
<b>Operating (loss) / profit</b>	5	<b>(7)</b>	125,591
Income from shares in group undertakings	6	55,005	22,369
<b>Profit before interest and tax</b>		<b>54,998</b>	147,960
Net interest receivable	8	245	547
<b>Profit before tax</b>		<b>55,243</b>	148,507
Tax on profit	9	550	1,276
<b>Profit for the financial period</b>		<b>55,793</b>	149,783
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>55,793</b>	149,783

All items dealt with in arriving at the profit before taxation relate to continuing activities.

The company has no other comprehensive income other than that included in the results above, and therefore no separate statement of other comprehensive income has been presented.


# Cott Retail Brands Limited

## Balance Sheet as at 28 December 2019

	Note	28 December 2019 £'000	29 December 2018 £'000
<b>Fixed assets</b>			
Investments	10	440,694	440,694
		<b>440,694</b>	<b>440,694</b>
<b>Current assets</b>			
Debtors	11	9,122	8,913
Cash at bank and in hand		120	65
		<b>9,242</b>	<b>8,978</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(9,294)</b>	<b>(9,261)</b>
<b>Net current liabilities</b>		<b>(52)</b>	<b>(283)</b>
<b>Creditors: amounts falling due after more than one year</b>		<b>(454)</b>	<b>(1,004)</b>
<b>Net assets</b>		<b>440,188</b>	<b>439,407</b>
<b>Capital and reserves</b>			
Called up share capital	13	609	609
Share premium account		139,058	139,058
Other reserve		61,622	61,622
Profit and loss account		238,899	238,118
<b>Total equity</b>		<b>440,188</b>	<b>439,407</b>

The notes on pages 11 to 20 are an integral part of these financial statements.

The financial statements on pages 8 to 20 were approved by the board of directors on 24 November 2020 and were signed on its behalf by:



Claire Duffy  
Director

Registered company number: 02865761

**Statement of changes in equity  
for the 52 week period ended 28 December 2019**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Other reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
Balance as at 31 December 2017	609	-	46,207	529,562	576,378
Profit and total comprehensive income for the financial period	-	-	-	149,783	149,783
Share allotments	-	139,058	-	-	139,058
Capital contributions	-	-	15,415	-	15,415
Dividend in specie (note 14)	-	-	-	(418,463)	(418,463)
Dividends (note 14)	-	-	-	(22,764)	(22,764)
<b>Balance as at 29 December 2018</b>	<b>609</b>	<b>139,058</b>	<b>61,622</b>	<b>238,118</b>	<b>439,407</b>
Balance as at 29 December 2018	609	139,058	61,622	238,118	439,407
Profit and total comprehensive income for the financial period	-	-	-	55,793	55,793
Dividends (note 14)	-	-	-	(55,012)	(55,012)
<b>Balance as at 28 December 2019</b>	<b>609</b>	<b>139,058</b>	<b>61,622</b>	<b>238,899</b>	<b>440,188</b>

**Called up Share Capital** – represents the nominal value of shares that have been issued

**Share Premium Account** – represents additional paid in capital; not distributable

**Other Reserve** – represents the contribution from the parent undertakings

# **Cott Retail Brands Limited**

## **Notes to the financial statements for the 52 week period ended 28 December 2019**

### **1. General Information**

Cott Retail Brands Limited acts primarily as an intermediate holding company.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Penny Lane, Haydock, St Helens, England, WA11 0QZ.

### **2. Statement of compliance**

The individual financial statements of Cott Retail Brands Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **(b) Basis of consolidation**

These financial statements contain information about Cott Retail Brands Limited as an individual company and do not contain consolidated financial information. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Primo Water Corporation (formerly Cott Corporation), a company incorporated in Canada, and it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, which are publicly available.

These financial statements are the company's separate financial statements.

#### **(c) Exemptions for qualifying entities under FRS 102**

FRS102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- (i) a reconciliation of the number of shares outstanding at the beginning and end of the period. (FRS 102 para 4.12 (a) (iv)) ;
- (ii) the requirement to prepare a statement of cash flows. (section 7 of FRS 102 and para 3.17 (d)) ;
- (iii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. (FRS 102 paras 11.41(b), 11.41(c), 11.41(e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.9(b) and 12.29A)

# **Cott Retail Brands Limited**

## **Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **Exemptions for qualifying entities under FRS 102 (continued)**

- (iv) certain disclosure requirements of section 26 in respect of share based payments provided that (i) for a subsidiary the share based payment concerns equity instruments of another group entity; or (ii) for an ultimate parent the share based concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group; and in both cases the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. (FRS 102 paras 26.18 (b), 26.19 – 26.21, 26.23)
- (v) the non disclosure of key management personnel compensation in total (FRS 102 para 33.7)

The company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent company Primo Water Corporation, includes this information about the company in its own consolidated financial statements which can be obtained free of charge on their website at [www.primowatercorp.com](http://www.primowatercorp.com).

#### **(d) Taxation**

The charge for taxation is based on the profits for the period as adjusted for disallowable items.

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax balances are not discounted and are recognised to the extent that it is regarded more than likely that there will be suitable taxable profits against which these assets can be recovered in future periods. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

No payment is made for tax losses transferred under group relief.

#### **(e) Going concern**

As at 28 December 2019, the Company was in a net current liability position (£52,000), with total net assets of £440,188,000.

As an intermediate holding company, whose main activity is the receipt and subsequent payment of dividends, the future developments of this company are intrinsically linked to the future developments of its trading subsidiaries and the wider group to which it is a part. Notwithstanding, the Directors have considered the cash flows of the company, taking into account expected cash flows as well as considering the terms of intercompany balances.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, due to the continued financial support of the ultimate parent company Primo Water Corporation.

The directors have received confirmation that Primo Water Corporation will support the company for at least 12 months after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **(f) Investments**

Investments in subsidiary companies are held at cost less any accumulated impairment losses.

# **Cott Retail Brands Limited**

## **Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **(g) Impairment of non-financial assets**

At each year-end date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. Non-financial assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net asset position or if not sufficient, the net present value of expected future cash flows of the business, or disposal value if higher.

If the recoverable amount is estimated to be lower, an impairment loss is recognized in the profit and loss account.

#### **(h) Foreign Currency**

The company's functional and presentational currency is the pound sterling. Foreign currency transactions are translated into the functional currency using spot rates at the dates of the transactions. Foreign exchange gains and losses are recognised in the profit and loss account in the period in which they arise.

#### **(i) Dividend Income**

Dividend income is recognised when the right to receive the payment is established.

### **4. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical judgements in applying the entity's accounting policies**

No critical judgements have been required to be made in applying the company's accounting policies.

#### **Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **(i) Impairment of investments**

The company states investments at cost less any accumulated impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net asset position or if not sufficient, the net present value of expected future cash flows of the business, or disposal value if higher. See note 10 for details of the net carrying amount of investments and any associated impairment provision.

### **5. Operating (loss) / profit**

The fees for audit services provided by the company's auditors were £6,000 and have been included in administrative expenses on the statement of comprehensive income. For the 52 week period ended 29 December 2018 the fees for audit services provided by the company's auditors were £5,000 and were borne by another group company (Primo Water Corporation) and were not recharged to Cott Retail Brands Limited. The company's auditors did not provide any other services during the period.



# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 6. Income from shares in group undertakings

	Period ended 29 December 2018 £'000	Period ended 29 December 2018 £'000
Income from shares in group undertakings	55,005	22,369

In May 2019 and September 2019, dividends of £2,000 thousand and £2,564 thousand were received from Cott Ventures UK Ltd., respectively, and in June 2019, August 2019 and December 2019, dividends of £2,168 thousand, £32,190 thousand and £16,083 thousand were received from Cott Switzerland, GmbH, respectively.

### 7. Employees and Directors

#### Directors

Emoluments for the services of all directors were paid by other subsidiaries of the Primo Water Corporation group of companies and accordingly the emoluments of S Kitching and C Duffy have been paid by and are disclosed in the financial statements of Aimia Foods Limited, the emoluments of M Vernon have been paid by and are disclosed in the financial statements of Eden Springs and the emoluments of J Ausher have been paid by and are disclosed in the financial statements of Primo Water Corporation. These costs were not recharged to Cott Retail Brands Limited.

#### Employees

Cott Retail Brands Limited does not have any employees other than directors (period ended 29 December 2018:nil).

### 8. Net interest receivable

	Period ended 28 December 2019 £'000	Period ended 29 December 2018 £'000
Net interest receivable	245	547

# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 9. Tax on Profit

(a) Tax included in profit or loss

	Period ended 28 December 2019 £'000	Period ended 29 December 2018 £'000
<b>Current tax:</b>		
Release of Thin Capitalisation reserve	(550)	(1,276)
<b>Total current tax</b>	<b>(550)</b>	<b>(1,276)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
<b>Tax on ordinary activities</b>	<b>(550)</b>	<b>(1,276)</b>

(b) Reconciliation of tax charge

Tax measured for the period is lower than the standard rate of corporation tax in the UK for the period ended 28 December 2019 of 19%. The differences are explained below:

	Period ended 28 December 2019 £'000	Period ended 29 December 2018 £'000
<b>Profit before taxation</b>	<b>55,243</b>	<b>148,507</b>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in UK of 19%	<b>10,495</b>	<b>28,216</b>
Effect of:		
Gain on sale of business	-	(18,547)
Reversal of impairment on investments	-	(5,316)
Income not taxable	<b>(10,453)</b>	<b>(4,250)</b>
Release of Thin Capitalisation reserve	<b>(550)</b>	<b>(1,718)</b>
Impact of UK interest expense limitation	-	442
Surrender/(utilisation) of group relief	<b>(31)</b>	<b>(35)</b>
Deferred tax not provided	<b>(11)</b>	<b>(68)</b>
<b>Tax for the period</b>	<b>(550)</b>	<b>(1,276)</b>

No payment is made for tax losses transferred under group relief.

# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 9. Tax on Profit (continued)

#### (c) Tax rate changes

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 10. Investments

Interest in group undertakings:

	£'000
<b>Cost</b>	
As at 29 December 2018	466,129
<b>As at 28 December 2019</b>	<b>466,129</b>
<b>Provision for diminution</b>	
As at 29 December 2018	(25,435)
<b>As at 28 December 2019</b>	<b>(25,435)</b>
<b>Net book value</b>	
As at 28 December 2019	440,694
<b>As at 29 December 2018</b>	<b>440,694</b>

At each reporting period end, management reviews investments in subsidiaries for indicators of impairment. An impairment is recognised when the carrying amount exceeds the recoverable amount for that investment. As at 28 December 2019, management concluded that the recoverable amount of the investments exceeded its carrying value and therefore no impairment was recorded.

# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 10. Investments (continued)

A detailed schedule of the subsidiaries of Cott Retail Brands Limited is included below:

Name of subsidiary	Registered Address	Country of incorporation	Principal activity	Ordinary share ownership
Cott Limited*	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Dormant	100%
Cott Europe Trading Limited*	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Dormant	100%
Cott Switzerland GmbH*	Alpenstrasse 15 6300 Zug, Switzerland	Switzerland	Holding Company	100%
Cott Cayman	190 Elgin Avenue George Town, Grand Cayman, KY1-9005	Cayman Islands	Financing Company	99.9%
Cott Ventures UK Limited*	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Holding Company	100%
Total Water Solutions Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Dormant	100%
Decante Mineral Water Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Manufacture of drinks	100%
Aimia Foods Holdings Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Holding Company	100%
Aimia Foods EBT Company Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Employee Benefits Trust	100%
Aimia Foods Group Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Holding Company	100%
Aimia Foods Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Food and Beverage manufacture and distribution	100%
John Farrer & Company	9 Shap Road Industrial Estate Off Shap Road Kendal, Cumbria LA9 6NZ	England and Wales	Tea & Coffee Merchant	100%
Stockpack Limited	Penny Lane, Haydock, Merseyside WA11 0QZ	England and Wales	Dormant	100%
Associated Coffee Merchants (Int'l Ltd)	Corinthian House 17 Lansdowne Road Croydon, England CR0 2BX	England and Wales	Dormant	49%
TWS BidCo 1 Limited	Penny Lane, Haydock, Merseyside, WA11 0QZ	Holding Company	Ordinary shares	100%
Tea UK Limited DBA Drink Me Chai	Penny Lane, Haydock, Merseyside, WA11 0QZ	Tea Processing	Ordinary shares	74%

\*Indicates direct subsidiary

# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 11. Debtors

	Period ended 28 December 2019 £'000	Period ended 29 December 2018 £'000
Amounts owed by group undertakings	9,122	8,913

The amounts owed by group undertakings shown as falling due within one year are unsecured, repayable on demand and non-interest bearing.

### 12. Creditors: amounts falling due within one year

	Period ended 28 December 2019 £'000	Period ended 29 December 2018 £'000
Amounts owed to group undertakings	9,299	9,261

The amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

### Creditors: amounts falling due after more than one year

	28 December 2019 £'000	29 December 2018 £'000
Provision for uncertain tax positions	454	1,004

### 13. Capital and reserves

#### Called up Share Capital

Called up share capital represents the nominal value of shares that have been issued.

	28 December 2019 £'000	29 December 2018 £'000
<b>Allotted and fully paid</b>		
60,918,348 (29 December 2018: 60,918,348) ordinary shares of £0.01 each	609	609

# Cott Retail Brands Limited

## Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)

### 13. Capital and reserves (continued)

#### Share Premium Account

Share premium account represents additional paid in capital and is not distributable.

#### Other Reserve

Other reserve represents the contribution from the parent undertakings.

#### Rights attributable to ordinary shares

##### Capital rights

On a return of assets on liquidation or capital reduction or otherwise, the assets of the company remaining after the payment of its liabilities shall belong to and be paid to the holders of ordinary shares in proportion to the number of ordinary shares held by them.

##### Dividends

The profits of the company available for distribution shall be distributed amongst the holders of the ordinary shares in proportion to the number of ordinary shares held by each such shareholder.

##### Voting rights

The holder of the ordinary shares has the right to receive notice of, attend and speak at any general meetings of the company. On a vote by way of a show of hands, the holders of ordinary shares present shall be entitled to one vote, and on a vote by poll shall be entitled to one vote per ordinary share held by each such shareholder.

### 14. Dividends Paid

Dividends	Period ended 29 December 2018 £'000	Period ended 29 December 2018 £'000
<b>Equity – ordinary</b>		
Dividend in specie	-	418,463
Dividend paid £0.90 per share (29 December 2018: £0.37 per share)	55,012	22,764
<b>Total dividend paid</b>	<b>55,012</b>	<b>441,227</b>

### 15. Contingent liabilities

The company, together with certain other Primo Water Corporation Group Companies are party to a cross guarantee to secure financing facilities. These are summarised below:

Facility	Expiry	Interest Rate (%)	Outstanding Balance (\$m)
Senior notes due in 2024	2024	5.500	\$499.3
Senior notes due in 2025	2025	5.500	\$750.0
ABL Facility	2020	3.40	\$92.0

# **Cott Retail Brands Limited**

## **Notes to the financial statements for the 52 week period ended 28 December 2019 (continued)**

### **16. Related party disclosures**

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

See note 7 for disclosure of directors' emoluments.

### **17. Controlling Parties**

The directors consider Primo Water Holdings UK Limited (formerly Cott UK Acquisition Limited), a company registered in England and Wales, as the immediate parent company of Cott Retail Brands Limited.

The ultimate parent undertaking and controlling party is Primo Water Corporation, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Primo Water Corporation consolidated financial statements can be obtained free of charge on their website at [www.primowatercorp.com](http://www.primowatercorp.com).

### **18. Events after the reporting period**

#### ***Coronavirus***

The outbreak of the novel coronavirus, COVID-19, has had a significant impact on our group companies. Authorities in many of the markets in which our group companies operate have implemented numerous measures to stall the spread of COVID-19, including travel bans and restrictions, quarantines, curfews, shelter in place orders, and business shutdowns. These measures have impacted and will continue to impact us, our customers, employees, distributors, suppliers and other third parties with whom we do business.

There is considerable uncertainty regarding the extent and duration of any impact that these measures and future measures in response to the pandemic may have on our business. We have implemented health and safety protocols, business continuity plans and crisis management protocols and have taken other operational actions in an effort to try to mitigate the negative impact of COVID-19 to our employees and our business, the extent of the impact of the pandemic on our business and financial results will depend on numerous evolving factors that we are not able to accurately predict and that all will vary by market, including the duration and scope of the pandemic, global economic conditions during and after the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic and changes in customer behavior in response to the pandemic, some of which may be more than just temporary.